GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:88
ANSWERED ON:25.11.2002
RATIONALISATION OF FLIGHT OPERATIONS
PATY RIPPLE KYNDIAH;PRABHA RAU

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether at present Air India and Indian Airlines areoperating to the same destinations like Singapore and Bangkok incurring avoidable losses;

(b) if so, the details of sectors incurring such avoidable losses; and

(c) the steps being taken to rationalise the flight operations of both the airlines?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN)
(a), (b) & (c): A Statement is Laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO.88 DATED 25.11.2002
(a), (b) and (c) : Though it is true that Air India and Indian Airlines are operating to some common destinations like Dubai, Muscat, Kuwait, Doha, Bahrain etc in Gulf andSingapore, Bangkok and Kuala Lumpur in South East Asia, itis incorrect to say that they are incurring losses on these routes. Both airlines are serving these destinations precisely for the reason that operations to these destinations are profitable. Since AI does not have enough number of aircraft to fully meet the demand on these destinations with adequate services, Indian Airlines has been allowed to operate to these destinations to meet the demand. This improves utilization of the aircraft of Indian Airlines which are unutilized during night time for domestic operations and at the same time leads to increased Indian presence in such market which otherwise would have been exploited by foreign carriers to their advantage. However, there are some shortcomings in such operations to common destinations like tendency of undercutting the fares of each other etc and, therefore, an exercise in on to rationalize such operations so that the two airlines compete effectively with foreign airlines rather than with each other and the same time Indian presence in such market is strengthened with better services. This would also help the two airlines to plan their future operations in such markets in a better fashion. The rationalization exercise would be completed within a month.